

Luxembourg, 28 March 2013

To all undertakings for collective investment

In case of discrepancies between the French and the English text,
the French text shall prevail

CIRCULAR BCL 2013/231

CIRCULAR CSSF 13/564

Modification of the statistical data collection for money markets funds and investment funds

Ladies and Gentlemen,

In the context of the European Central Bank (ECB) regulations ECB/2007/8 concerning statistics on the assets and liabilities of investment funds and ECB/2008/32, as modified, concerning the balance sheet of the monetary financial institutions sector as well as the guidelines ECB/2002/7, as modified, on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts and ECB/2004/15, as modified, in the field of balance of payments and international investment position statistics, the Banque centrale du Luxembourg (BCL) has set up a data collection system for money market funds and investment funds.

This data collection system, that also allows to comply with regulation ECB/2012/24 concerning statistics on holdings of securities, has been set up with the objective of limiting the overall reporting workload for undertakings for collective investments (UCIs) and compartments of UCIs. Therefore, the Luxembourg authorities – i.e. the Commission de surveillance du secteur financier (CSSF) and the Banque centrale du Luxembourg (BCL) – fully cooperate and use, whenever possible, the whole data set collected for statistical and prudential purpose in order to ensure the prudential supervision as well as the statistical data compilation.

The information collected on the basis of these ECB regulations foresees exemptions for compartments of UCIs of modest size. Therefore, the Luxembourg authorities do not receive detailed information on assets and liabilities for a given number of compartments of UCIs although the latter is necessary for prudential supervision as well as for financial stability and macro-prudential analysis. However, for financial stability analysis and for prudential supervision the BCL and the CSSF need information from all the reporting agents.

Therefore, considering the aforementioned developments, the BCL has decided to modify its statistical data collection in order to take into account the user needs stemming from micro and macro prudential supervisions, as well as from the stress testing exercises.

1 Objectives

Considering the aforementioned ECB guidelines and regulations, the BCL has redefined its data collection system in order to comply with the following objectives:

- complete coverage of the foreseeable requirements of the European Central Bank in the field of monetary and financial statistics
- minimisation of the workload for reporting agents
- consistency with data collected for supervisory purpose
- comparability with the standard ESA 95 (European System of National Accounts 1995)

The use of the collected data for financial stability and prudential supervision is now added to these existing objectives.

2 Modification

In comparison with the current statistical data collection, the modification aims to repeal the existing exemptions, namely:

- repealing the derogations currently granted to compartments of investment funds of modest size for the reports S 1.6 «Information on valuation effects on the balance sheet of investment funds», S 2.13 «Quarterly statistical balance sheet for undertakings for collective investment», as well as for the Security by security report (SBS)
- repealing the derogations currently granted to compartments of money market funds of modest size for the report S 1.3 «Monthly statistical balance sheet for money market funds», as well as for the Security by security report (SBS)

Therefore, the exemptions foreseen by circulars BCL 2007/211 and 2009/227, that have been confirmed by various BCL letters (of which the latest is the one dated 2 October 2012, ref.: ST.12-0652), according to which some compartments of UCIs were provided with an exemption for the remittance of statistical reports are repealed with effect from the reference period of June 2013.

As a consequence:

- all compartments of money market funds are invited to submit reports S 1.3 and SBS for the reference period of June 2013 at the latest on 12 July 2013.
- all compartments of investment funds are invited to submit reports S 2.13 and SBS for the reference period of June 2013 at the latest on 26 July 2013 and report S 1.6 from the reference period of July 2013.

In this context, it should be reminded that submitting report S 1.6 is not mandatory if the amounts for items Fixed assets or Financial derivatives represents less than 5% of total assets.

3 Money market funds

Regulation ECB/2011/12 modifying regulation ECB/2008/32 concerning the balance sheet of the monetary financial institutions sector introduced a revised definition of money market funds in order to make it compliant with the main principles underlying the common definition of money market funds at the European level that have been published on 19 May 2010 by

the Committee of European Securities Regulators, the predecessor of the European Securities and Markets Authority (ESMA). This definition is applied by the BCL since 31 January 2012.

The CSSF establishes the list of money market funds or compartments of money market funds that are reported on the list of monetary financial institutions (MFI). After identification of the relevant compartments, the CSSF informs the BCL which then transmits the list of Luxembourg MFIs to the European Central Bank (ECB). The latter publishes the list of Luxembourg MFIs together with the lists established in the other European Union Member States.

4 Investment funds

The population of investment funds covers all UCIs that are not reported on the official list of money market funds, whether they are subject to the law of 17 December 2010 or the one of 13 February 2007.

The population of investment funds is composed of the following sub-categories defined by their main investment policy:

- equity funds
- bond funds
- real estate funds
- mixed funds
- other funds
- hedge funds

The BCL receives identifying information from the CSSF for all the UCIs and compartments of UCIs which enables it to transmit the list of investment funds to the ECB. The latter publishes the list of Luxembourg investment funds together with the lists established in the other European Union Member States.

5 Statistical reporting to the BCL

Regulation ECB/2008/32 concerning the consolidated balance sheet of the monetary financial institutions sector, as modified by regulation ECB/2011/12, defines the concept of money market fund as well as the information requests addressed to money market funds.

Regulation ECB/2007/8 concerning statistics on the assets and liabilities of investment funds defines the information requests addressed to investment funds.

In order to become compliant with these regulations, the statistical reporting requirements to be submitted to the BCL by compartments of UCIs is composed of the following reports:

- money market funds
 - S 1.3 «Monthly statistical balance sheet for money market funds»
 - Monthly Security by security report of undertakings for collective investment
- investment funds
 - S 1.6 «Information on valuation effects on the balance sheet of investment funds»
 - Monthly Security by security report of undertakings for collective investment
 - S 2.13 «Quarterly statistical balance sheet for undertakings for collective investment»

Finally, it should be kept in mind that the whole set of instructions for the statistical reporting is published and can be downloaded from the BCL's website under the header «Regulatory reporting».

6 Use of the collected data

The statistical data collection in the field of UCIs and compartments of UCIs is primarily achieved for a statistical purpose and is based on the data requirements as they are laid down in the aforementioned ECB regulations. However, in order to limit the reporting burden for reporting agents and to avoid multiple data collections, the data may be used for other purposes than those foreseen in the organic law of the BCL.

Therefore, the confidentiality of individual data collected is subject to professional secrecy on the part of Central Bank bodies and staff members, as defined in Article 33 of this law. It is

important to mention that this article allows the BCL to exchange data with the *Commission de surveillance du secteur financier*, the *Commissariat aux assurances* and the *Service central de la statistique et des études économiques* (STATEC), if the data are necessary for the accomplishment of their respective missions.

7 Quality of the data transmitted

We would like to stress the importance of the quality of the data transmitted to the BCL and the necessity to submit the data to the verification rules detailed in the technical documentation. Only a rigorous control undertaken during data production will allow respecting the quality requirements as well as the reporting delays. This point is all the more important that the data collected will be checked by the ECB before being aggregated with the data of the other Member States. In addition, the detailed statistics published on the BCL's website have to reach a high level of quality in order to properly address the user needs. Any error or important negligence would have harmful repercussions on the reputation of the whole financial community in Luxembourg.

8 Respect of the reporting deadlines

The BCL establishes and publishes on its website a calendar of remittance dates at which the monthly and quarterly statistical reports must be submitted to the BCL.

Undertakings for collective investment are reminded that BCL must transmit monthly statistics for money market funds to the ECB within 15 working days and quarterly statistics for investment funds within 28 working days following the end of the period to which the data refers to. Therefore, it is absolutely necessary that reporting agents scrupulously respect the reporting deadlines defined in the present circular in order for the BCL to respect its engagements within the European System of Central Banks (ESCB).

9 Repeals

The present circular replaces and repeals, with effect from 15 March 2013, the following circulars:

- BCL 2007/211 « New statistical data collection for investment funds - Modification of the statistical data collection for money market funds»;
- BCL 2009/227 « Modification of the statistical data collection for money market funds» as well as circular letter ST.12-0652 «Updated thresholds from which UCIs have to transmit the statistical reporting to the BCL».

Yours sincerely,

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